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31 August 1953

Deputy Comptroller

Technical Accounting Staff

Memorandum to Comptroller from Chief, Finance Division, dated
25 August 1953 - Field Audit of Station Accountings

1. After serious deliberation and review of this paper I find there is not much I can add or suggest to change. I think it is well done and covers all major pertinent points relative to hasty action on decentralization of post audit to the field.

2. The major emphasis, I believe, should not be that audit in the field is undesirable but that action to accomplish it without prior coordination to work out the accounting problems, establish firm procedures or reconcile the security and operational issues might be both disastrous and result in an ineffective post audit. I feel that the uncoordinated action to arbitrarily determine that post audit will be accomplished at certain stations without our concurrence has denied us the opportunity to jointly determine with the Auditor-in-Chief whether we feel that adequate administrative examination is being performed in the field prior to post audit.

3. Maybe [] has considered and has the answer to all our problems, but I think they should be clearly recognized and understood. For example:

a. Do the stations involved have adequate storage facilities to retain vouchers for indefinite periods?

b. Is there a security problem in that in an emergency they may have to be destroyed in a hurry?

c. Will field stations continue to prepare and retain duplicate vouchers? If so, what disposition will be made of them; certainly headquarters doesn't want them to file. In the past the stations retained duplicates for a reasonable period for reference purposes but if they now retain originals, why the duplicates?

d. The volume of work at most posts will not require a full-time on-the-site auditor. Then how will audit be accomplished? Travelling auditors will present a real security problem, and sending reports to a central European location will be no better than sending to Washington and much more expensive. Further, that central point will not have access to authorizations and explanations available at headquarters or on the site.

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4. The field finance officers must certainly feel on the spot. Should they be obliged to follow [] instructions when contrary to Agency Regulations signed, DCI by direction? An immediate cable should be sent to them by the DD/A confirming this audit policy or directing that they defer action pending further instructions.

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5. If determined appropriate, the TAS will initiate any study or action deemed necessary to coordinate policy and procedures for the accomplishment of the decentralization of audit.



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